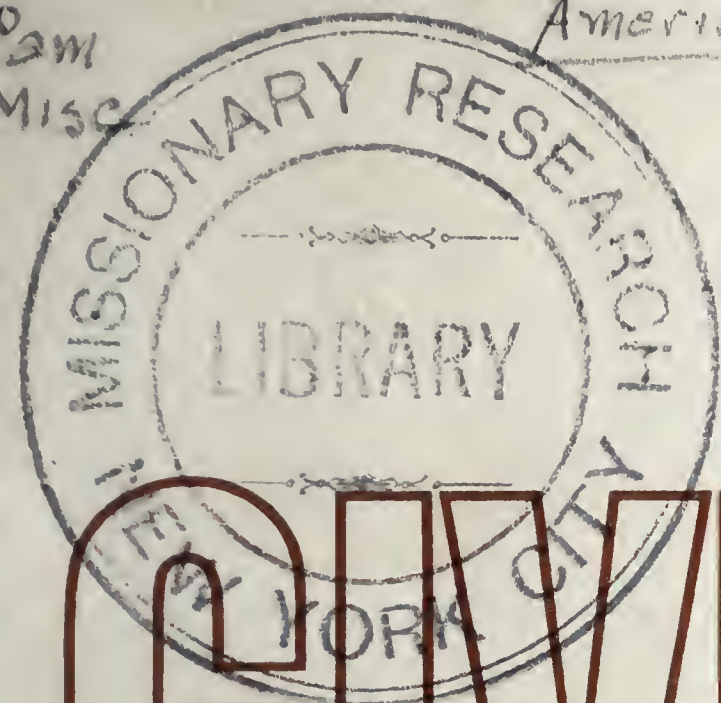


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# GIVING USA



1956

F A C T S   A B O U T   P H I L A N T H R O P Y

# GIVING USA

**A COMPILATION OF FACTS**

**RELATED TO**

**AMERICAN PHILANTHROPY**

**ISSUED BY**

**AMERICAN ASSOCIATION OF FUND-RAISING COUNSEL, INC.**

**500 FIFTH AVENUE      NEW YORK 36, N. Y.      LACKAWANNA 4-5468**

## ACKNOWLEDGMENTS

The American Association of Fund-Raising Counsel, Inc. is indebted to many individuals and organizations for permission to use material included in this booklet.

*F. Enterson Andrews*, author of several books on philanthropy published by Russell Sage Foundation, has been generous in his counsel and in authorizing use of material from his books.

The Association also expresses its appreciation to the *American Hospital Association*, *Community Chests and Councils of America*, the *Education Department of the National Association of Manufacturers*, the *American Alumni Council*, the editors of *America's Needs and Resources—A New Survey*, the *Joint Department of Stewardship and Benevolences of the National Council of Churches*, the editors of *Yearbook of American Churches*, and the editors of *American Foundations and Their Fields*, *Seventh Edition*.

Material of great usefulness has been drawn from the publications of the *Council of State Governments*, the *Wisconsin Legislative Reference Library*, the *U. S. Department of Commerce*, the *Internal Revenue Service*, and the several branches of the *U. S. Department of Health, Welfare and Education*.

## FOREWORD

The people of the United States and Canada invest more than five and one half billion dollars in philanthropy every year.

Half a million gift-supported institutions and organizations serve the American people.

Although various phases of the philanthropic effort in this nation have developed excellent records and statistics, the total picture is not easy to find in any single place.

The American Association of Fund-Raising Counsel, Inc., a non-profit organization of professional fund-raising counsel, has endeavored to gather facts related to philanthropy for the benefit of its members. This compilation does not pretend to be encyclopedic, but it does seek to present some of the basic data available concerning many phases of American philanthropy in 1955. For the most part this data originated with other organizations and individuals to whom proper acknowledgment is given elsewhere.

Giving U.S.A., therefore, is offered as reference material to those interested and concerned with philanthropy and its relation to American life.

HOWARD T. BEAVER  
*President,*  
American Association of  
Fund-Raising Counsel, Inc.

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# I THE PHILANTHROPIC PICTURE

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The total of philanthropy in the United States in 1954 was estimated at \$5,400,000,000. The 1955 total when available will show an increase probably to a figure well over 6 billion, if appropriations in 1955 for future expenditures are included.

## Where it comes from . . .

Official figures are available only in federal tax figures, the latest available showing that in 1952:

12,835,776 taxpayers reported	
contributions of	\$3,116,483,000
Corporations reported contributions of	\$ 398,579,000
Forty-three and one-half million individuals made no report of contributions but took the standard deduction. It is estimated they gave	\$1,400,000,000
Foundations probably gave	\$ 300,000,000
Bequests amounted to	\$ 237,000,000

## . . . Where it goes to (estimated)

Religion . . . . .	50%
Education . . . . .	11%
Welfare Agencies . . . . .	23%
Hospitals and Health . . . . .	9%
Foundations (Paid into endowment Funds) . . . . .	3%
Foreign Relief . . . . .	1%
Other . . . . .	3%



## Philanthropic and Religious Assets

American citizens have an investment of more than \$40 billion in privately supported institutions of education, religion, health and welfare.

**Higher education**, privately supported, has plant and endowment valued at \$5.551 billion.\* Operating costs approximate \$1.166 billion.

**Churches, synagogues and temples** have property and endowment valued at \$11.615 billion. New religious construction is at the rate of \$750 million in 1955.

**Non-profit hospitals** have plant and endowment totalling \$4.709 billion.\* These hospitals operate at a cost of \$2.275 billion a year.

**Foundations** created for philanthropic giving are estimated to have assets of more than \$7 billion.

Welfare organizations, recreational and character building agencies, and other privately supported services for the common welfare have property and endowment valued at \$2 billion. The capital assets of the Y.M.C.A. are \$389,087,800 for instance, and assets of the Boy Scouts have recently been stated as \$120 million.

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*\*These figures may be increased by \$200 million each when Ford Foundation grants become effective.*

SOURCES: *U. S. Statistical Abstract—Hanover Bank Bulletin American Hospital Association—Biennial Survey of Education—Philanthropic Giving—F. Emerson Andrews.*

## **The field for philanthropic service**

### **POPULATION**

is increasing at the rate of about 2.8 million a year. About 4 million babies are born a year.

Aged population is increasing rapidly—Today there are approximately 14 million over 65—By 1970 Social Security estimates there will be 18.5 million.

Population rose to 163,930,000 by the end of 1954—a gain of 2,830,000 in one year, record annual increase.

There were 4,076,000 births—an increase of 100,000—*infant mortality* dropped to a new low of 26.7 per 1,000 live births—and the *national death rate remained* below 10 per 1,000.

### **WORKING FORCE**

88 million potential workers—59 million of them men—90 million working force predicted by 1975—with increase in women possibly as much as 65 per cent.

### **MARRIAGES**

Next record wave of marriages in the 1960s when the babies of the Middle Forties come of marriageable age.

### **FAMILIES**

Last census showed 38.3 million families—19 per cent increase—138 million people living in family units.

### **CHILDREN**

Children under 18 will number 55¼ million in 1960. High school age children will increase by 700,000 in 1962, reaching peak of last birth wave.

# II AREAS OF PHILANTHROPIC OPPORTUNITY

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## Education

### THE IMPACT OF POPULATION ON STUDENT ENROLLMENT

	ELEMENTARY SCHOOLS	SECONDARY SCHOOLS	COLLEGES AND UNIVERSITIES
1920	19,378,000	2,200,000	597,880
1950	21,401,000	5,707,000	2,659,021
1955	*29,038,000	*7,680,000	*2,715,683

\*estimated

SOURCE: U. S. Office of Education Biennial Survey of Education.

### PRIVATE ELEMENTARY AND SECONDARY SCHOOLS

Public schools educate 30 million children.

Private elementary and secondary schools educate 4 million.

Annual operating costs of private schools—\$1 billion in 1952-53.

Catholic parochial school system educated 85 per cent of all children attending private schools—almost 3½ million children attend 9,064 elementary and 2,282 secondary schools maintained by Catholic Church. By 1960 Catholic Church will *require* \$850,000,000 for elementary school construction and \$550,000,000 for new secondary schools.

Protestant denominations have 2,905 schools with enrollment of 187,292.

Jewish Day Schools have 32,000 in attendance.

**Independent schools**—those without religious affiliations—have no adequate data. These independent schools place emphasis on gifted students and 202 of them give \$5 million in scholarships to 7,000 students—14 per cent of student body receives aid.

Thirty per cent of these schools operate at a deficit.

Operating income—86 per cent from tuition; 3.4 per cent from endowment; 4 per cent from gifts; 6.6 per cent from miscellaneous.

**Corporate gifts to private schools** amounted to less than \$2 million in 1953-54.

SOURCE: *National Association of Manufacturers Bulletin*.

## **PHILANTHROPY FOR EDUCATION**

Philanthropic contributions to educational institutions, including individual and corporation gifts, and foundation expenditures, may have amounted to about \$500 million in 1953-54.\*

Between 75 and 80 per cent of all expenditures for education in the United States today are from public funds. In 1953-54 capital outlay for schools and institutions of higher education totalled \$2,166.4 million.

Private expenditures for education in 1953-54 included about \$0.5 billion for construction and \$2.5 billion in current expenditures, primarily tuition fees paid by individuals. Of the current expenditures, about 40 per cent was for higher education, about a third for elementary and second-

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\*A survey by the Council for Financial Aid to Education and the American College Public Relations Association estimates giving for higher education in 1954-55 as high as \$507 million.

ary education, and the remainder for trade and business schools, and foundation expenditures for education and research.

1960 expenditures for private education exclusive of capital expenditures may reach \$5 billion.

SOURCE: *Social Security Bulletin*, October, 1955.

**ALUMNI GIVING TO HIGHER EDUCATION**

*325 colleges and universities reporting for 1953-54*

Living alumni . . . . .	5,161,513
Alumni solicited . . . . .	3,804,045
Donors . . . . .	760,378
Effectiveness of solicitation . . . . .	20%
Total fund gifts from alumni . . . . .	\$20,883,548
Average alumni gift . . . . .	\$ 27.46
Non-alumni gifts to fund . . . . .	\$ 5,665,258
Total raised by funds . . . . .	\$26,548,765
Alumni gifts not credited to fund . . . . .	\$40,066,363
Total alumni gifts . . . . .	\$60,949,923

SOURCE: *American Alumni Council*.

**Health**

U. S. Public Health Survey over a period of years shows an annual rate of 1,060 cases of illness per 1,000 population.

Nearly 3 million persons between 14 and 64 are disabled six months or more each year.

About 10 million persons have cardio-vascular diseases which cost 817,000 lives a year. Cancer causes approximately a quarter of a million deaths annually.



Expenditures by federal, state and local governments for civilian health and medical care in 1954 totaled \$2,876,800,000, about 15 cents of every dollar spent by the nation for all health purposes.

*Philanthropy paid about \$486 million towards the national health bill of some \$17 billion dollars.*

*Private hospital construction in 1954 cost \$289,000,000.*

SOURCES: *Hoover Commission; U. S. Public Health Surveys; C. C. & C. Facts Book; Social Security Bulletin.*

## **PRIVATE Vs. PUBLIC EXPENDITURES FOR HEALTH**

Private expenditures for health are in greater proportion than public funds.

**Private expenditures** for medical services, plus private funds for hospital construction, amounted to about \$11 billion in 1953-54.

**Total public expenditures** for civilian health services in the same year amounted to \$4.1 billion, or about one fourth of all medical care expenditures.

Of the amount spent privately for medical services less than 20 per cent was covered by insurance or prepayment arrangements.

Probably about \$500 million was paid by charitable organizations for medical services received by medically indigent or other special groups.

SOURCE: *Ida C. Merriam—Social Security Bulletin, October, 1955.*



## HOSPITALS

### *A Summary of Hospital Resources and Needs.*

7,822 hospitals providing service to the continental United States and Canada were listed by the American Hospital Association in 1955; with a total of  
1,737,382 beds, reporting  
22,326,781 admissions during the year 1954.

3,490 short-term non-profit hospitals were included in this total with  
428,941 beds, and with  
312,796 average daily census of patients, and  
14,783,595 admissions during the year 1954.

6,970 hospitals serve the Continental United States.  
\$10,820,261,000 of total assets is reported by all these hospitals. Of this sum,  
\$ 8,899,864,000 represents plant assets; this leaves  
\$ 1,920,397,000 for Reserves and Endowments.  
\$ 4,709,316,000 of total assets is reported by short-term non-profit hospitals in the United States, of which  
\$ 3,274,283,000 was in plant.

The total number of hospital beds in the United States has doubled in a little more than a quarter of a century. Admissions have increased by 4,600,000 in nine years. Despite the rapid increase in population, the ratio of beds per 1,000 of population was 9.7 in 1948 and 9.8 in 1954.

**Total expenses per day** for all hospitals averaged \$5.21 per day in 1946 and \$10.67 in 1954. Patients in non-profit general hospitals paid an average of \$1.71 a day less than average per diem expense in 1954.

49 per cent of all hospitals are non-profit hospitals.

**The average stay** reported in short-term non-profit hospitals has decreased from 8.8 days in 1946 to 7.5 days in 1954.

#### **HOSPITAL GROWTH IN THE CONTINENTAL UNITED STATES**

	1928	1934	1954
Hospitals	6,852	6,334	6,970
Beds	892,934	1,048,101	1,577,961

#### **OF ALL HOSPITALS IN 1954**

**430** were federal hospitals with 189,233 beds; **522** were state hospitals with 717,558 beds; **6,018** other hospitals (non profit, local governmental, and proprietary) had 671,170 beds. **The 4,740 non-governmental** (non-profit and proprietary) hospitals had 468,858 beds.

#### **OUT-PATIENT VISITS**

**4,618** hospitals reported **65,397,318** out-patient visits.

**2,412** non-profit hospitals reported **30,690,537** out-patient visits.

## HOSPITAL FINANCES

	All Hospitals		Non-Profit Hospitals	
	1946	1954	1946	1954
Total Assets (000)	—	\$10,820,261	—	\$4,709,316
Total Income (000)	—	—	\$885,037	\$2,330,005
Total Income (Per Patient Day)	—	—	\$10.48	\$23.31
Total Expenses (000)	\$1,963,355	\$5,229,040	\$848,093	\$2,276,457
Total Expenses (Per Patient Day)	\$5.21	\$10.67	\$10.04	\$22.78*

\*An increase of \$1.69 over 1953.

## CANADIAN HOSPITALS

	All Hospitals	Non-Profit Hospitals
Number	852	434
Number of Beds	159,421	51,078
Average Daily Census	133,684	38,978
Percentage of Occupancy	83.9%	76.3%
Admissions	1,981,350	1,419,164
Length of Stay	—	10 days

434 short-term non-profit hospitals reported  
 \$505,191,000 of total assets with  
 \$381,492,000 in plant assets. They had  
 \$190,882,000 of total income at the rate of  
 \$13.42 per patient day with  
 \$201,878,000 total expenses at the rate of  
 \$14.19 per patient day.

SOURCES: *Administrator's Guide Issue of Hospitals, Journal of the American Hospital Assn.; America's Needs & Resources, A New Survey; Construction Review; Statistical Abstract of the United States.*

## HOSPITAL PROGRESS SINCE 1949

TYPE OF HOSPITALS	YEAR	NO. OF HOSPITALS	NO. OF BEDS	TOTAL ASSETS (estimate for non-reporting hospitals) (000 omitted)
All U. S. Hospitals	1949	6,277	1,435,288	\$ 6,945,805
	1950	6,788	1,455,825	7,791,038
	1951	6,832	1,521,959	8,205,787
	1952	6,903	1,561,809	9,417,931
	1953	6,978	1,580,654	10,159,209
	1954	6,970	1,577,961	10,820,261
Non-Profit Hospitals	1949	2,688	318,005	3,100,691
	1950	2,871	331,862	3,349,744
	1951	2,922	344,775	3,459,520
	1952	2,973	357,365	3,901,342
	1953	3,010	369,445	4,348,486
	1954	3,056	377,863	4,709,316

### BETWEEN 1946 AND 1954

**Income** of non-profit hospitals increased 163 per cent.

**Expenses** increased 168 per cent.

SOURCE: *Administrator's Guide, Issue of Hospitals, Journal of the American Hospital Association.*

## WHAT OF TOMORROW?

**\$22 billion** in new hospital construction in the next ten years is forecast by Construction Review.

**800,000 new beds** are needed, according to the Hoover Commission report.

By **1960** needs for all hospital facilities may reach \$1.8 billion with possibly \$1.2 billion available, according to America's Needs and Resources.

# Religion

The nation's churches have congregations of 97,482,611—highest church-going population in history of the nation . . . Six out of every ten persons in the Continental United States. Congregations in 1954 total:

Protestants: 57,124,142, an increase of 1,286,817

Roman Catholics: 32,403,332, an increase of 927,071

Jewish: 5,500,000, an increase of 500,000

On basis of F. Emerson Andrews' estimate that half of all philanthropy represents religious giving, it seems likely that *religious giving in 1954 amounted to at least \$2.7 billion. \$700,000,000 spent for new church construction in 1955*, estimate based on data from the U. S. Department of Labor and Commerce. Estimates are for \$7 billion in new religious structures in next ten years.

## GROWTH OF RELIGION IN THE UNITED STATES

	1906	1916	1926	1940	1950	1953	1954
Churches (000)							
	210	227	232	244	286	294	300
Value of Buildings (millions)							
	\$1,258	\$1,677	\$3,839	—	\$5,235	\$7,846*	\$11,615**
Church Members (000)							
	35,068	41,927	54,576	64,501	86,830	94,842	97,482
Membership as % of Population							
	38%	41%	46%	49%	57%	59.5%	60.3%

\*Value of all church property.  
\*\*Estimate of Church Property and Endowment.

SOURCES: *Religious Bodies*—U. S. Bureau of Census; *Yearbook of American Churches*; National Council of Churches.



## RELIGIOUS GIVING

Giving to Protestant Churches is continuing to increase. Giving to 47 Protestant and 2 Eastern Orthodox bodies, with a combined U. S. membership of more than 34,000,000 totalled \$1,687,921,729 in 1954. This represents an increase of \$145,000,000 over the previous year.

The major portion of contributions was earmarked for local congregational expenses—48 church bodies reported \$1,353,553,358 for this purpose, compared with the \$1,233,766,530 reported by 47 bodies last year.

Eighteen of the 48 church bodies reporting congregational expenses, indicated more than 31 per cent of such expenses went to new building programs.

Highest per member giving was recorded by the Wesleyan Methodist Church, with per capita contributions of \$176.91. Other per member contributions—Seventh Day Adventists, \$173.94; Brethren in Christ, \$127.51; Church of the Nazarene \$124.71; the Evangelical Mission Covenant Church, \$124.15; Orthodox Presbyterian Church, \$106.56; Conference of the Evangelical Menonite Church, \$104.02.

Largest total giving was reported by the Methodist Church. Its 9,202,728 members gave \$345,416,448, an average per member of \$37.53.

Six major Protestant bodies in Canada reported a record total of \$68,810,562—average contribution, \$39.21.



## **Private Social Welfare**

Organized private charitable expenditures for welfare purposes . . . were perhaps in the neighborhood of \$800 to \$900 million in the fiscal year 1953-54.

The total includes funds spent by private social agencies, community chests, and other groups for institutional care, foster home care, income maintenance, social services and community planning. It also includes the estimated expenditures (about \$200 million) of religious organizations in this country for such purposes. It excludes community chest and other private expenditures for health . . . A very small part of the private welfare expenditures was for direct payments to needy people; a large share was used for family adjustment services, recreation and group work, and community planning activities.

SOURCE: *Social Security Bulletin*, October, 1955.

## **Family Welfare**

Death causes broken homes for 700,000 families annually.

Divorce rate is high—29 states alone reported 179,455 in 1952. In 1950 rate was 2.6 per 1,000 of population.

1.5 million children were receiving aid as dependent children in 1952.

Federal and State governments providing \$2.5 billion for public assistance to needy individuals and families.

In 1952 some 10 million people moved across county lines—tendency to move continues.

2.9 million children under 18 have lost one or both parents . . . orphans represent 9 per cent of child population . . . 300,000 children live in institutions or schools away from home.

SOURCES: *America's Needs and Resources—A New Survey*; *Social Security Bulletin*; C. C. & C.

## The Aged

In 1900 there were 3 million persons in the United States who were 65 years of age or older. Today there are approximately 14 million—nearly nine per cent of the total population.

Social Security Administration estimates that by 1970 there will be 18.5 million, by 1980 approximately 24 million and by the year 2000 nearly 27 million persons aged 65 or older.

A relatively large number of families, headed by persons over 65, are dependent upon old age assistance. The latest census of earnings indicates three in every ten families, whose heads were 65 or over, had less than \$1,000 annual income.

Approximately one-half of all persons over the age of 65 have some chronic disease or physical impairment. American Hospital Association estimates one fourth to one half of the annual days of hospitalization provided in general hospitals is for chronic diseases, and a considerable number of the cases are older people.

## **Recreation**

About 4 per cent of the total costs of park and recreation programs in this country come from private sources.

An estimate of about \$1 per capita is spent annually by private agencies for recreational facilities in urban areas. On the basis of present urban population this might mean an expenditure of around \$100 million.

About 44 per cent of community chest funds go for leisure time activities. Boy Scouts, Camp Fire Girls, Girl Scouts and Boys Clubs have budgets upwards of \$50,000,000.

By 1960 it is estimated private individuals and agencies will be spending \$340,000,000 for capital improvements for recreational services.

SOURCE: *America's Needs and Resources, A New Survey.*

## **Foreign Aid**

Forty-seven non-profit agencies are registered with Advisory Committee on Voluntary Aid, Foreign Operations Administration. This is the successor to the President's War Relief Control Board established in 1946.

These agencies provide services of relief and rehabilitation to needy nationals and refugees in health, education, welfare, agriculture, industry, emigration, and resettlement.

In 1954 these agencies expended \$186,154,478 in foreign aid, both gifts in kind and funds for relief. In the first six months of 1955 these expenditures totalled \$171,155,000.

SOURCE: *Advisory Committee on Voluntary Aid; Foreign Operations Administration, Washington, D. C.*

### III SOURCES OF PHILANTHROPY

#### Who Gives—

#### Statistics of Income for 1952 (Preliminary)

*Individual income* and total tax for 1952, the latest figures available, continued an upward trend.

*Adjusted gross income* for 1952 reported an *all-time high* of \$216.1 billion, nearly \$13 billion above 1951.

Salaries for 1952 were \$174.3 billion, an increase of \$13.9 billion.

The 56.5 million individual returns filed for the income year 1952 are somewhat over *one million more returns* than were filed in 1951. Of these, *43.9 million were taxable returns*.

#### INCOME TAX RETURNS SHOWING CHARITABLE DEDUCTIONS, BY INCOME GROUPS, 1952

INCOME GROUP	NO. OF RETURNS	CONTRIBUTIONS CLAIMED (IN MILLIONS)	ADJUSTED GROSS INCOME (IN MILLIONS)	CONTRIBUTIONS PER CENT
Under \$5,000	6,248,576	\$1,050	\$22,305	4.7
\$5 under \$6,000	1,733,263	373	9,693	3.8
\$6 under \$7,000	1,035,952	263	6,832	3.8
\$7 under \$8,000	567,891	164	4,268	3.8
\$8 under \$10,000	499,858	173	4,473	3.9
\$10 under \$15,000	406,525	192	4,987	3.9
\$15 under \$1,000,000	557,239	743	19,258	3.9
\$1,000,000 and over	144	33	287	11.5
Total Taxable	11,049,448	\$2,991	\$72,103	4.1
Total Non-taxable	859,276	125	1,540	8.1
Grand Total	11,908,724	\$3,116	\$73,643	4.2



Itemized returns of adjusted gross income under \$15,000 claimed total deductions for contributions of \$2.2 billion or 71 per cent of all reported contributions.

39 million individuals having income of less than \$7,000 a year filed, 88.8 per cent of the taxable returns.

146 itemized returns showed adjusted gross income of \$1 million or more, with 144 taking deductions for contributions of \$32.9 million or 1 per cent of the total \$3.1 billion deducted as contributions.

Salaries and wages are found on 90 per cent of the returns whether the adjusted gross income is under \$5,000 or \$5,000 or more.

Dividends are reported on 1 out of every 5 returns with income of \$5,000 or more.

Taxpayers numbering 11.9 million claimed *\$3.1 billion in deductions for contributions.*

Of the 56.5 million returns only 11.9 million claimed itemized deductions—standard deduction is presumed to have been taken by remainder.

SOURCE: *Preliminary Estimates, 1952—IRS.*

THE WEALTHY DONOR

NET INCOME CLASS	RETURNS (000)		CONTRIBUTIONS (000,000)	
	1943	1952	1943	1952
\$50,000 under \$100,000	24.8	60.1	\$43.4	\$149.7
\$100,000 under \$1,000,000	7.4	17.1	47	180.4
\$1,000,000 and over	.1	146	4.8	32.9

SOURCES: *Income Statistics for 1952—Preliminary; F. Emerson Andrews' Philanthropic Giving.*

## **Contributions—Corporate and Individual**

### **TEN YEARS PROGRESS IN CORPORATE GIVING (1942-1952)**

These figures show that while corporate net income in 1952 was less than double that of 1942, total contributions by corporations were about four times as great. The per cent of contributions to net income, however, at no time was near the allowable 5%. In 1942 contributions were 0.42 per cent of income and in 1952 they were 01.03 per cent.

YEAR	NET INCOME BEFORE DEDUCTIONS FOR CON- TRIBUTIONS (000)	5% ALLOWABLE DEDUCTIONS FOR CON- TRIBUTIONS	CONTRIBU- TIONS DEDUCTED (000)	PER CENT OF CON- TRIBUTIONS TO NET INCOME
1942	\$23,139,907	\$1,156,995	\$ 98,296	0.42
1945	21,405,636	1,070,281	265,679	1.24
1948	34,664,361	1,733,218	239,337	0.69
1949	28,417,403	1,420,870	222,566	0.78
1950	42,865,670	2,143,283	252,366	0.59
1951	43,888,629	2,194,431	343,039	0.78
1952	38,854,758	1,942,737	398,579	1.03

### **INCOME TAX DEDUCTIONS OF INDIVIDUALS FOR PHILANTHROPY—1944-1952**

These statistics show that since 1944, as income has increased there has been a comparable increase in contributions, although at no time have contributions approached the allowable deductions of income. The greatest total of dollars of contributions came from the \$5,000 to \$100,000 income classification. The greatest increase was in the in-



# INCOME TAX DEDUCTIONS OF INDIVIDUALS FOR PHILANTHROPY

(By Adjusted Gross Income Classes)

ADJUSTED GROSS INCOME	YEAR	NUMBER OF TAX RETURNS	ADJUSTED GROSS INCOME (IN THOUSANDS)	DEDUCTIONS FOR CONTRIBUTIONS (IN THOUSANDS)	PER CENT OF CONTRIBUTIONS (ADJ. GROSS INCOME)	AVERAGE GIFT
Under \$5,000	1944	7,285,809	\$21,268,362	\$ 878,362	4.13	\$ 121
	1945	6,538,502	16,652,173	758,116	4.55	116
	1946	7,204,456	17,676,405	843,326	4.77	117
	1950	7,559,950	21,524,013	1,017,996	4.73	135
	1952	7,942,164	23,845,213	1,175,877	4.93	148
\$5,000-\$100,000	1944	439,757	9,708,721	283,198	2.92	644
	1945	1,253,005	16,431,235	570,043	3.47	455
	1946	1,538,192	19,868,747	684,232	3.44	445
	1950	2,740,775	29,660,928	1,058,150	3.57	386
	1952	4,876,302	46,556,434	1,727,247	3.71	354
\$100,000-\$500,000	1944	7,680	1,235,138	55,918	4.53	7,281
	1945	8,716	1,403,278	72,717	5.18	8,343
	1946	10,125	1,629,429	82,371	5.06	8,135
	1950	18,741	3,088,120	129,054	4.18	6,886
	1952	16,749	2,676,113	156,290	5.84	9,331
\$500,000-\$1,000,000	1944	216	145,786	9,455	6.49	43,773
	1945	256	168,431	11,628	6.90	45,422
	1946	313	210,860	14,201	6.73	45,371
	1950	615	414,282	24,124	5.82	39,226
	1952	415	278,203	24,159	8.68	58,214
\$1,000,000 and over	1944	62	109,611	8,344	7.61	134,581
	1945	71	123,384	11,082	8.98	156,085
	1946	93	183,089	14,852	8.11	159,699
	1950	217	429,001	31,018	7.23	142,940
	1952	146	286,620	32,910	11.48	225,411
TOTALS — ALL RETURNS	1944	7,733,524	\$32,467,618	\$1,235,277	3.80	\$ 160
	1945	7,800,550	34,778,501	1,423,586	4.09	182
	1946	8,753,179	39,568,530	1,638,982	4.14	187
	1950	10,320,298	55,116,344	2,260,342	4.10	219
	1952	12,835,776	73,642,583	3,116,483	4.23	243

come class of \$1,000,000 and over, where percentage of contributions to income rose from 7.61 per cent in 1944 to 11.48 per cent in 1952. The lowest increase was in the under \$5,000 income class, where it was 4.13% in 1944 and 4.93% in 1952.

These figures do not, of course, record total philanthropy, for there were an additional forty million or more taxpayers who filed short form returns, taking the standard deduction for contributions.

## **Foundations**

### **EXTENT**

Internal Revenue Service cumulative list of organizations, contributions to which are deductible for income tax purposes, now runs as high as 38,000. Many of these organizations are characterized as "foundations". Obviously many are individual foundations, and others are not foundations in the broad philanthropic sense. There are probably not more than 7,300 foundations which are engaged in philanthropic giving.

The Seventh edition of *American Foundations and Their Fields* describes 4,162 foundations.

### **ASSETS**

Assets of the foundations engaged in philanthropic giving are estimated at \$9.5 billion or over—77 of the larger foundations have estimated assets of approximately \$6 billion.

Some of the larger foundations and their approximate assets are:

	<i>(in thousands)</i>
FORD FOUNDATION .....	\$3,000,000*
ROCKEFELLER FOUNDATION .....	447,686
CARNEGIE CORPORATION .....	196,000
DUKE ENDOWMENT .....	109,552
PEW MEMORIAL FOUNDATION ( <i>no report published</i> )—	
Estimated Market Value of Assets .....	104,900
COMMONWEALTH FUND .....	105,993
KRESGE FOUNDATION .....	86,200
W. K. KELLOGG FOUNDATION .....	109,812
JOHN A. HARTFORD FOUNDATION ( <i>estimated</i> ).....	53,000
OLIN FOUNDATION .....	52,531
CHARLES HAYDEN FOUNDATION .....	56,124
MAX C. FLEISCHMANN FOUNDATION ( <i>estimated</i> ).....	50,000
ALFRED P. SLOAN FOUNDATION .....	38,188
A. W. MELLON EDUCATIONAL AND CHARITABLE TRUST..	43,612
JAMES FUND OF NEW YORK .....	47,720
LILLY ENDOWMENT .....	53,856
ROCKEFELLER BROTHERS FUND .....	59,874

*\*Estimated on basis of first offering price of Ford stock.*

### WHERE THE FOUNDATIONS ARE

Approximately one-third of the foundations of size are in New York State, and hold 55%, or \$2.5 billion of the reported foundation assets. Pennsylvania and Michigan rank next in foundation assets.

### FOUNDATION GIVING

Foundation giving from income from assets is estimated to be close to \$325 million a year. This figure will be upped by more than \$500 million in 1955, as the Ford Foundation

made unusually high grants, some of which are for expenditures in future years. *Foundation giving normally amounts to about 4.5 per cent of our total giving.*

## **BASIC FOUNDATION PHILOSOPHY**

Most foundations have a philosophy of giving for constructive, rather than palliative purposes. Their interests are in research, determining what needs to be done, how it can be done, and then creating a demonstration project. Once the project has proved to be workable then the foundation withdraws.

Foundation money has been called the "risk" money in philanthropy.

The trend towards this is indicated by a recent gift of \$5,000,000 from the Alfred P. Sloan Foundation for basic research in the area of physics. Mr. Sloan has been frequently quoted of late as urging that money no longer be given for endowment but for basic research.

In a recent conference at New York University on foundations, speakers predicted that the big foundations would continue to turn their efforts toward research and pioneering, particularly in the social field. Recent reports of grants indicate a widening foundation interest in such problems as geriatrics, population, mental health and international affairs. American Foundations reports that probably the highest percentage of foundation giving goes to education; however, less than one per cent of the budgets of 1,800 institutions of higher education comes from foundations.

## **CORPORATE FOUNDATIONS**

There is an increasing trend toward creation of foundations as a means of distributing corporate contributions... about 1,300 such foundations are now in being. For instance, a considerable part of the U. S. Steel giving is done through the U. S. Steel Foundation.

In favor of such foundations is the tax advantage which reduces the costs of the gift to the company; permits stabilized giving by creating reserves for giving in times of poor business; it helps establish programmed giving; it facilitates a more comprehensive giving policy; it serves as a source of good will.

Against the favorable are these less favorable factors: there is some loss of control of funds; there is risk in securing and retaining tax exempt status; there is less participation by local management; foundation disbursements exclude company memberships; the number of requests for contributions increases; stockholders may raise objections.

## **COMMUNITY TRUSTS**

Community Trusts and Foundations in United States and Canada now have total assets of \$141,276,907—an increase of 38 per cent since 1950. These trusts made grants of \$6,099,181 last year.

SOURCES: *American Foundations and Their Fields, Seventh Edition; Foundation Reports.*



## Recent Trends in Federated Giving

United Community Campaigns for 1955 raised \$302,023,059 which was 5% more than the previous year's total and an all-time high for federated campaigns. Campaigns for 1956 are expected to raise \$340,000,000.

The growth of the federated campaign movement is indicated, as follows:

CAMPAIGN YEAR	NO. OF CAMPAIGNS	AMOUNT RAISED
1925	240	\$ 58,003,965
1935	406	69,781,478
1940	561	86,297,068
1945	772	221,272,950
1950	1,318	192,933,988
1953	1,560	266,124,734
1954	1,690	287,539,960
1955	1,858	302,023,059

## WHO GIVES THIS MONEY

Corporation and firm gifts of \$100 and over represented 40% of the total raised by Community Chests, and 34.1% of the United Fund totals. During the past six years, corporate giving to Community Chests has increased about 48%.

Employee gifts accounted for more than one-third of the total raised by United Funds and about one-fourth of the Community Chest total. About 70 per cent of the employees solicited contributed. The average employee gift to United Funds was more than \$8 and about \$5 for Community Chests.



Average gift per employe given was highest in schools, utilities—communication, and banks.

Federated campaigns received, on the average, about 25 to 27 gifts for every 100 persons residing in the campaign area.

173 cities reported that the 100 largest gifts which were received accounted for 32.3% of the total raised.

SOURCE: *Bulletin 182—Community Chests and Councils of America.*

# STATE REQUIREMENTS FOR PROFESSIONAL FUND-RAISERS

STATES HAVING REGULATORY LAWS	REQUIREMENTS FOR LICENSE OR REGISTRATION	FEE OR BOND	OTHER REQUIREMENTS
CALIFORNIA	None	None	Annual audit of organization raising funds.
CONNECTICUT	Certificate	None	—
IOWA	Permit	\$1 Fee	—
KANSAS	Certificate	None	—
MAINE	Annual License	None	Must list compensation paid
MASSACHUSETTS	Registration	None	Records must be open for inspection
MICHIGAN	License	None	—
NEBRASKA	Certificate	\$1 Fee	—
NEVADA	None	None	Annual report
NEW HAMPSHIRE	Certificate	None	—
NEW MEXICO	Registration	\$10 Fee & \$2500 Bond	Authorization for use of names
NEW YORK	Registration	\$50 Fee; \$10 for Solicitors; \$5000 Bond for Professionals	Authorization for use of names required for fund-raising.
NORTH CAROLINA	License	None	—
NORTH DAKOTA	License	None	—
OKLAHOMA	Registration	\$5 Fee for Solicitors \$50 Fee for Professionals \$2500 Bond	—
OHIO	Registration	\$5000 Bond	Contracts available for three years for inspection.
OREGON	None	None	Annual Report to County Clerk in each county where funds raised.
PENNSYLVANIA	Certificate	\$10 for each Solicitor	Limitations on Expenses
VIRGINIA	None	None	Records must be kept open for inspection
UTAH	—	—	Authorization for use of names required for fund-raising.

SOURCES: *Wisconsin Legislative Reference Library; Council of State Governments.*



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